TNUoS for Suppliers

Demand Tariffs Overview
July 2019

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What is TNUoS and who pays

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What is TNUoS?

TNUoS

- Transmission Network Use of System Charges - £2.8bn TO Revenue

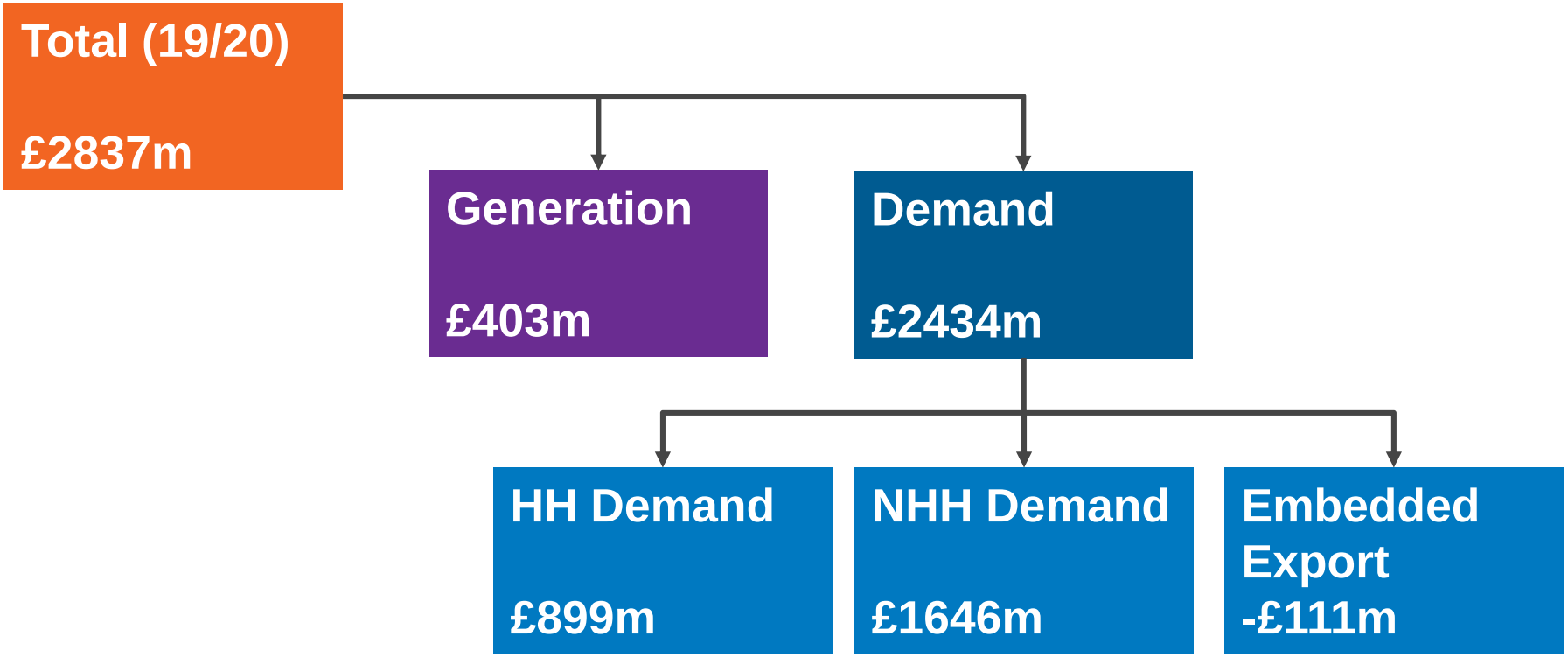
BSUoS

- Balancing Services Use of System Charges - ~ £1.3bn SO Revenue

Connection Charging

- Sole use assets - £300m TO Revenue

Who pays TNUoS?



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Who pays TNUoS?

Generators

Directly connected to the transmission network

Embedded generators >=100MW TEC

Total (18/19) £2837m

Generation £403m

Generation TNUoS is charged on the basis of Transmission Entry Capacity (TEC)

Generators are also liable for Demand TNUoS if they take demand over Triad

Who pays TNUoS?

Suppliers

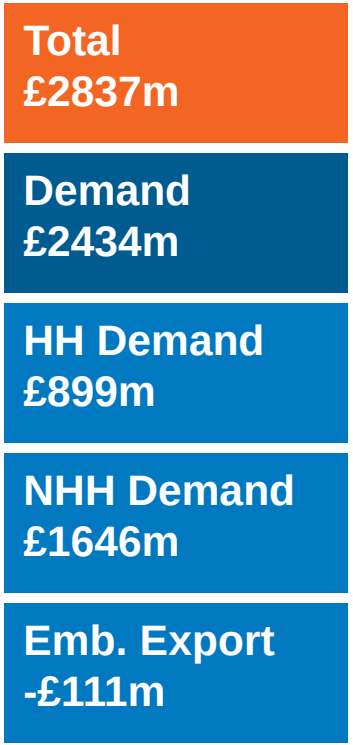
All licenced suppliers are liable for TNUoS, for their *gross demand* from the transmission network

Three categories of charge:

- **Half-Hourly** metered demand on the basis of Triads
- **Embedded Export** credited for export over Triads
- **Non Half-Hourly** demand, total 4pm-7pm annual consumption

The changes to HH charges were introduced by CMP264/265 from 2018/19 charging year

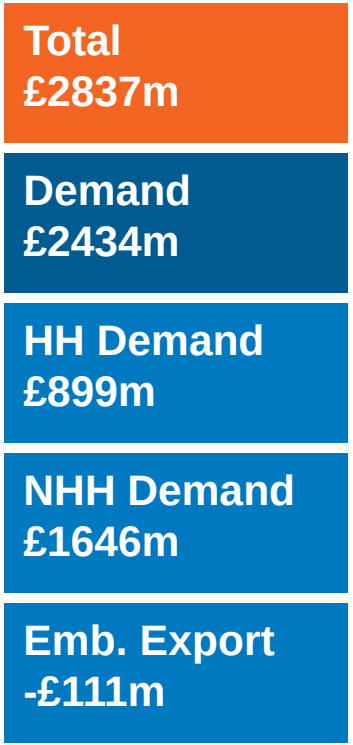
All demand is in one of these categories



Who pays TNUoS?

Directly Connected Demand sites pay HH demand charges

Embedded Generation (<100MW) which contracts directly with National Grid can gain Embedded Export payments



Demand TNUoS

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Demand TNUoS Tariffs

Demand TNUoS recovers £2.4bn of Revenue

There are two demand tariffs for each of the 14 demand zones

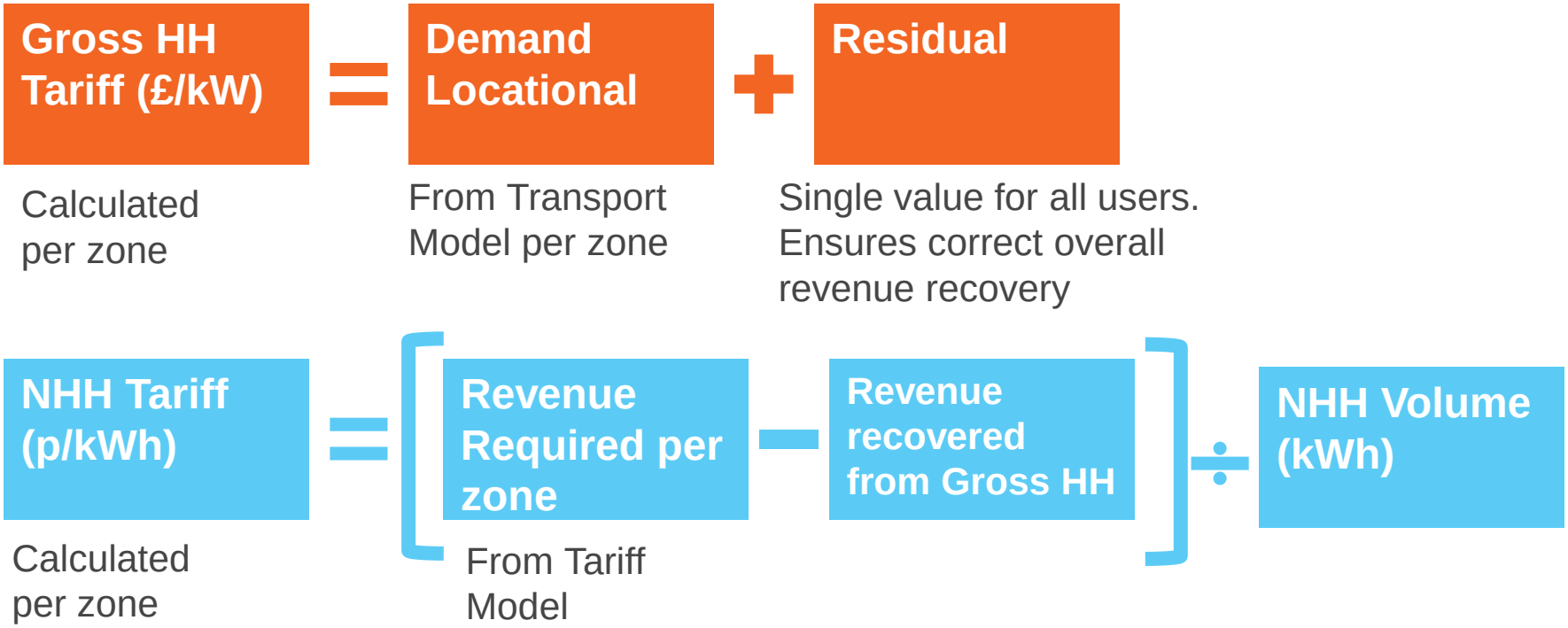
Gross Half-Hourly (HH) Demand

Charged a £/kW tariff for average demand over the Triads

Non Half-Hourly (NHH) Demand

Charged a p/kWh tariff for consumption between 4pm and 7pm each day

Demand TNUoS: HH & NHH Tariffs



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Triads

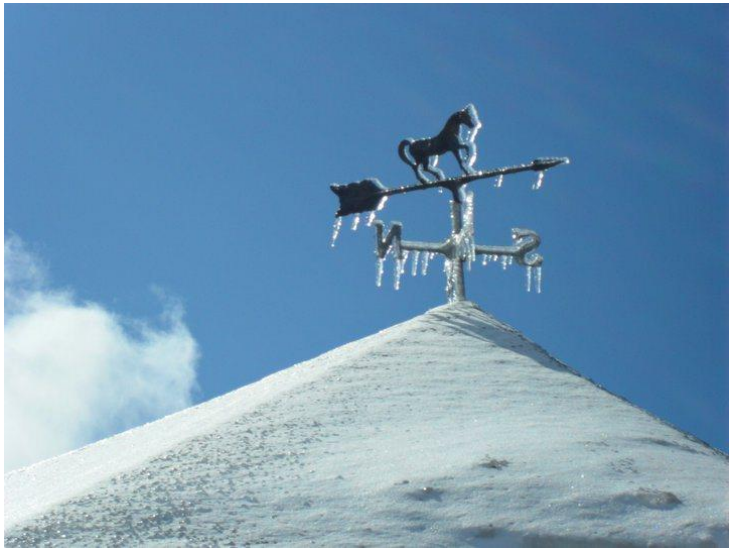
Three half hour settlement periods of highest GB net demand

1st November to end of February

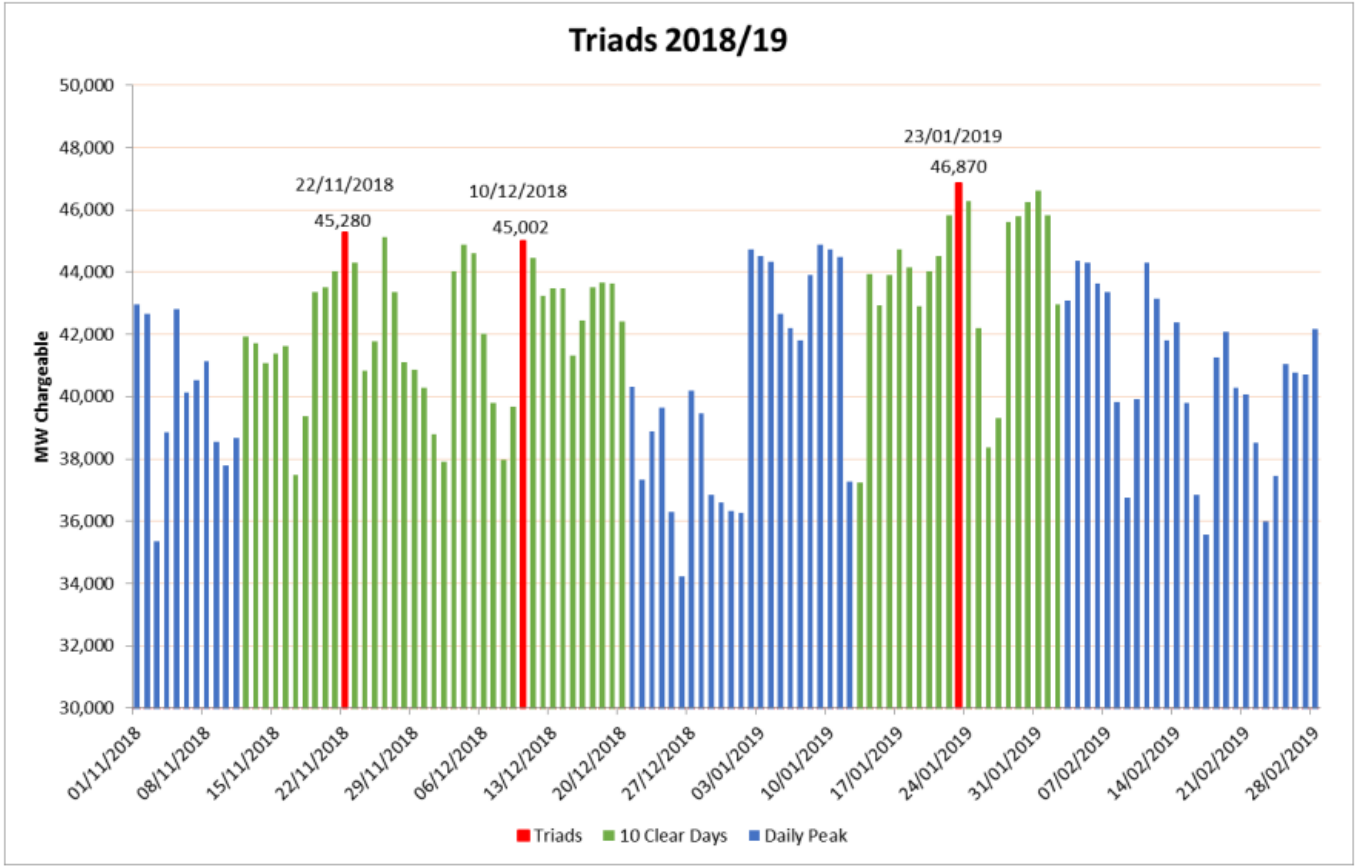
Separated from each other by a minimum of 10 clear days

Determined after the event using settlement metering data in March (mixture of SF, R1 & R2)

Exclude interconnector demand but include pumping and station demand



Triads for Winter 2018/19



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Embedded Export Tariff

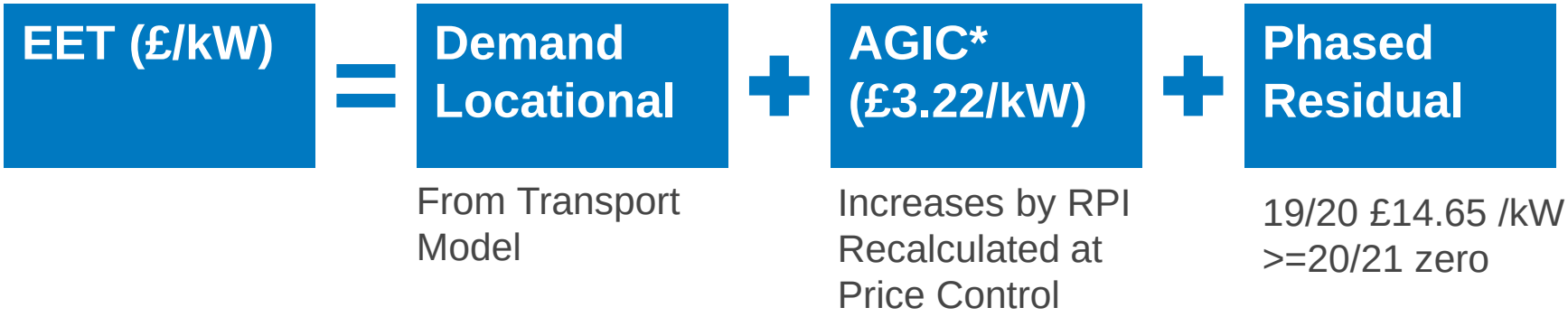
The Embedded Export Tariff is another element of TNUoS

- The EET is a new tariff under CMP 264/265 and is paid to customers based on the HH metered export volume during the triads
- This tariff is payable to exporting HH demand customers and embedded generators (<100MW CVA registered)

Embedded Export

Credited a £/kW tariff for average export over the Triads

Embedded Export Tariff



Based on the forecast of Embedded Generation output, this will cost £111m in 2019/20

This is added to the revenue to be recovered from the demand residual, to ensure overall revenue recovery is correct

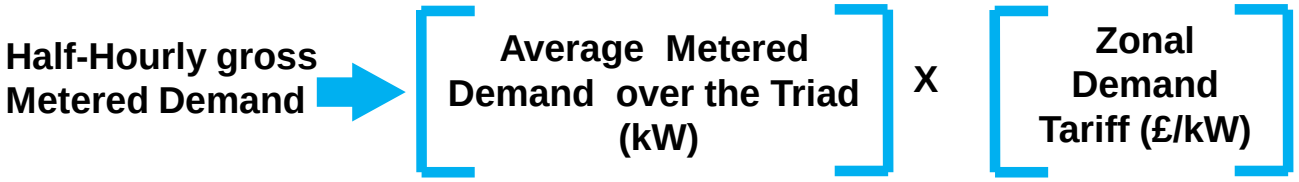
***AGIC = Avoided GSP (Grid Supply Point) Infrastructure Credit, which is indexed by average May to October RPI each year.**

Embedded Export Tariff Revenues

- Forecast to cost £111m in 19/20
- Cost is added to the Demand Gross Residual
- Overall, same value is recovered from Demand

Zone No.	Zone Name	Embedded Export Tariff (£/kW)
1	Northern Scotland	0.00
2	Southern Scotland	0.00
3	Northern	7.60
4	North West	14.41
5	Yorkshire	14.62
6	N Wales & Mersey	15.92
7	East Midlands	18.02
8	Midlands	19.51
9	Eastern	20.37
10	South Wales	16.30
11	South East	22.69
12	London	25.75
13	Southern	23.92
14	South Western	22.26

HH Tariff Charges & Embedded Export Payment



HH Demand £899m

Emb. Export -£111m

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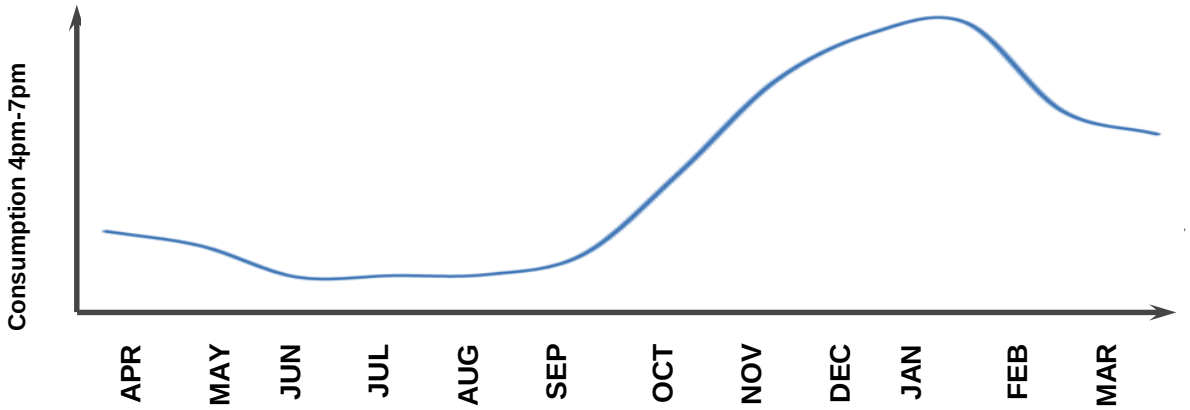
NHH Tariff Charges

Non Half-Hourly Metered Demand → [Energy Consumption between 4pm- 7pm each day (kWh)] X [Zonal Energy Tariff (p/kWh)] / 100

NHH Demand £1646m



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TNUoS settlement for measurements classes F and G for 2019/20 and 2020/21

- Several of these classes are changing from being settled as NHH to being settled HH

- The two classes principally affected by this change are classes F and G, which typically cover large properties

Measurement class	Description	Settlement in 2019/20	2020/21 onwards
A	Non Half Hourly metered	NHH	NHH
B	Non Half Hourly unmetered	NHH	NHH
C	Half Hourly metered in 100kW premises	HH	HH
D	Half Hourly unmetered	HH	HH
E	Half Hourly metering equipment below 100kW with current transformer	HH	HH
F	Half Hourly metering equipment below 100kW with current transformer or whole current, at domestic premises	NHH	HH
G	Half Hourly metering equipment below 100kW with current transformer or whole current, NOT at domestic premises	NHH	HH

Small Generators' Discount

Small generators (<100MW) connected at 132kV transmission receive a £/kW reduction in their TNUoS

- This is recovered from demand customers
- The licence condition and the scheme expire 31 March 2019

Ongoing CUSC Mod discussion (CMP302) may affect 2019/20 tariffs

For 2019/20

Total cost: £31.8m

HH demand = 0.62 £/kW	**NHH demand** = 0.08 p/kWh

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